



Small States A Changing Climate

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Small States Forum
October 21 2007

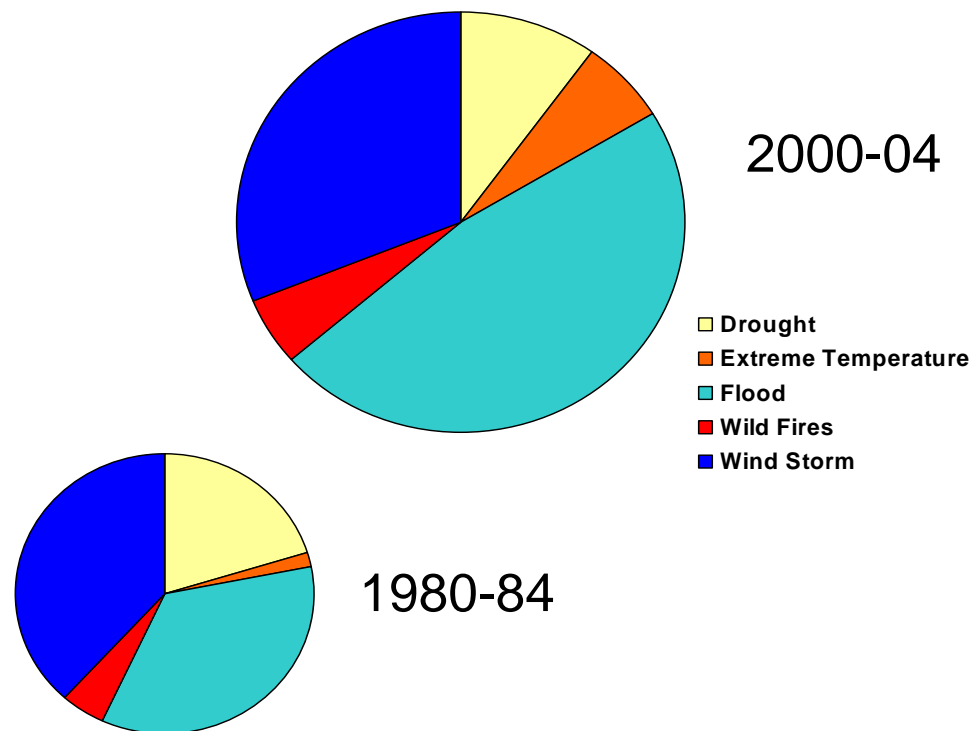


Climate Action is Critical for Development

- WB's role is to fight poverty and to meet aspirations of a better life for people living in developing countries
- We can no longer fight poverty without addressing climate change in core development activities
- The Small States face special challenges and will be among the hardest hit



The frequency and type of climate extremes are changing in the Small States



- The number of climate-related disasters in Small States has almost tripled in 25 years
- And the types of disasters are changing:
 - More floods, storms and extreme temperatures
 - Less change in droughts



In Small States, most of the population is exposed to extreme climate events and the economic impacts are disproportionately high

- Guyana, Floods 2005 – Losses \$468M (60% of GDP)
- Honduras, Hurricane Mitch 1998 – Losses \$3.5B (70% of GDP)
- Grenada, Hurricane Ivan 2004 – Losses \$889M (200% of GDP)



The Bank's Response to the Climate Challenge

- Clean Energy Investment Framework
 - Energy for development and access for the poor
 - Transition to low carbon economy
 - Adaptation and reducing vulnerability
- A World Bank Group strategy on climate change
 - Mainstreaming both mitigation and adaptation into country programs
 - Stepped-up global policy research
 - Further role for technology
 - The challenge of providing clean, low carbon energy for development
 - Managing climate risks and adapting to climate impacts



Bank is already actively supporting Small States through

- GEF funded projects
 - Programmatic approach
- Innovative risk management
 - Risk screening and pooling, and new insurance products
- Disaster risk reduction
 - Common risk assessment tools

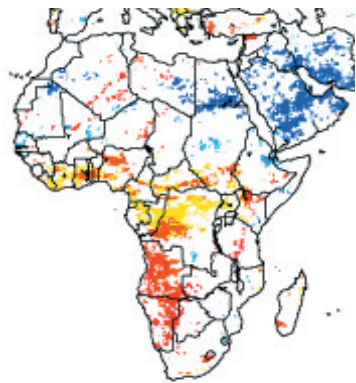


GEF Programmatic Approach

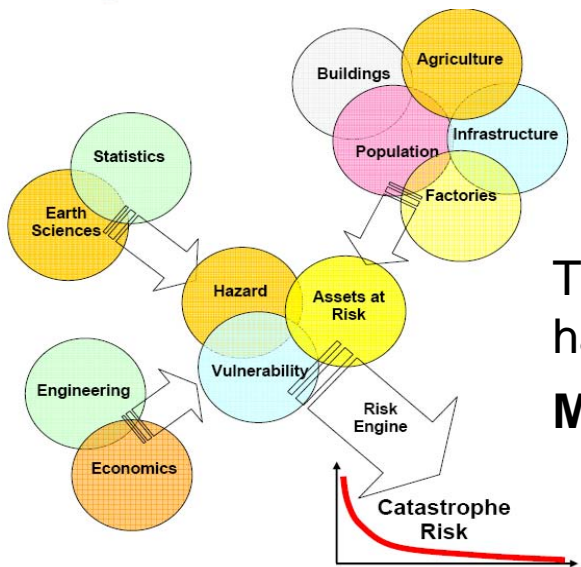
- Bank pioneered early adaptation projects in the Caribbean and Pacific
- Now a programmatic approach with \$100 million of GEF support
- The Bank is assisting the formation of a *Pacific Alliance for Sustainability*
- To develop strategic investment programs on:
 - Biodiversity;
 - climate change mitigation and adaptation;
 - international waters; and
 - cross-cutting issues such as land and water management.
- An opportunity to build consensus, consolidate partnerships, share learning and harmonize strategies among participants
- And to build the basis for better targeted IDA support and donor coordination



Risk Assessment Tools



Ready access to climate information



Tools for identifying hazards risk
MyRISK

Tools for screening for climate risk

ADAPT

How Does it Work?

1. Project activities are identified...

The user is asked a series of questions to identify project activities and location.

2. ... and a climate database is consulted

Database of climate model projections for 7 to 10 key climate variables for proposed location.

3. A climate risk assessment is made

Activities are ranked as sensitive to varying degrees, depending on location, current and projected climate, and type of activity. This is based on expert assessment.

- RESULTS -

A sensitivity analysis is presented

Climate sensitivity is indicated by a qualitative color-coded flagging scheme

Explanation of sensitivity rating is provided

Adaptation options are briefly outlined

Relevant literature and experts database is consulted

- Significant climate risk
- Some climate risk
- Not enough known to assess
- No climate change threat perceived
- Activity may reduce climate risk



Caribbean Catastrophe Risk Insurance Facility

The challenge: To mobilize resources to increase liquidity immediately after a disaster



- Major hurricane losses every 2 years
- Limited reserves
- Limited capacity to spread risk
 - geographically due to their small size
 - over time due to high debt levels
- Limited access to insurance/reinsurance
- Donor support can take time

CCRIF



Global Facility for Disaster Risk Reduction

Partnership of UN, World Bank and major donors to integrate disaster risk reduction into poverty reduction and achieving the MDGs

GFDRR is including future climate risks and adaptation in all risk reduction programs, through a **Common Country Risk Assessment template (CCRA)**:

- a tool that integrates the effects of a changing climate on hazard frequencies and intensities;
- design for the future, not for the past
- Incorporates the role of chronic, slow onset disasters in hazard management
- More than \$50 million in technical assistance to 51 countries for integrating disaster risks in country development strategies



Working together to Adapt to Climate Risks

- There is increased awareness amongst developing countries of the urgency to manage climate risks
 - Vulnerability and adaptation to climate change feature in 1/3 of all Country Assistance Strategies
- The challenge is to mainstream climate proofing into ongoing development planning
- This will require a scaling up of concessional finance to maintain its effectiveness in a changing climate